

SHORE TERMINALS, LLC

Marine Terminal Lease Renewal

Project Description

I. Overview of Project

- A. **Applicant** –Shore Terminals is an independent, privately owned transshipper of crude oil and petroleum products. Shore Terminals operates the Marine Terminal and Storage Facilities in an industrial area of the City of Martinez east of Interstate 680 (see Figure 1.). The two facilities occupy 235 acres, of which the marine terminal occupies 5.04 acres. The upland facilities are on private land, while the Marine Terminal is on public land leased from the California State Lands Commission (CSLC) (see Figure 2.). The Shore Terminals upland property contains storage tanks, a truck loading rack, railspur, pumps and associated pipelines, vapor collection and combustion systems and an office building.

The marine terminal itself is located on public land north of the main facility. The wharf is a single-vessel docking facility with associated pumps, pipelines, electric utilities and other mechanical equipment. The CSLC originally leased the parcel, as PRC 4769.1, to Urich Oil Company. The lease has been amended several times by mutual consent of the Commission and the then-lessee. Wickland Oil Company accepted assignment of the lease from Martinez Terminals Limited in August 1991, and assigned it's interests to Shore Terminals LLC, in November, 1998.

- B. **Project Description** - The lease Wickland accepted had been for an initial term of 25 years with provisions for two optional renewals for 10 years each. Shore Terminals has notified the CSLC that it wishes to exercise its option to renew it's lease, and the project before the Commission is the consideration of approving or denying an additional 10 year term of lease, and the imposition of any reasonable terms and conditions to that lease, if approved.
- C. **Alternatives** - For the purposes of this analysis, the consideration before the CSLC is to approve or disapprove of the 10 year renewal of the Marine Terminal lease held by Shore Terminals. If the renewal is not approved, then the Marine Terminal will be closed.

Shore Terminals owns and operates three pipelines that connect their upland facilities to non-Shore facilities. The 12-inch "Concord Pipeline" connects Shore Terminals to Kinder Morgan's Concord pumping station, delivering refined petroleum products from Shore to Kinder Morgan in a one-directional flow. The 16-inch "Black Baby Pipeline" connects the Shore Terminal facility to the Exxon 20-inch pipeline serving the Exxon Benicia Refinery and the Equilon Company's Martinez Refining facilities. This four mile pipeline moves black oils and crude oil